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TAGS: [ASEC](#) [BL](#) [KDEM](#) [PGOV](#) [PREL](#)
SUBJECT: JUSTIFICATION FOR DECISION ON ATPA FOR BOLIVIA

Classified By: A/S Thomas A. Shannon, Reasons 1.4 (b) and (d)

11. (SBU) This is an action request. See paragraph 5.

SUMMARY

12. (SBU) Following a review of the Andean Trade Preference Act (ATPA) eligibility for Bolivia and Ecuador, the President has decided not to reinstate benefits for Bolivia) benefits which were suspended last December due to inadequate counternarcotics cooperation. We hope to continue working with Bolivia on developing a new framework for bilateral relations, including on counternarcotics cooperation. To this end, A/S Shannon led an interagency delegation to La Paz in May, launching a broad-based bilateral dialogue with the Bolivian government. A second round of talks will be held in Washington in July. Also as an indication of our commitment, Secretary Clinton recently asked Maria Echaveste to serve as Special Emissary for Bolivia. Ms. Echaveste traveled to Bolivia for discussions aimed at moving our bilateral relationship forward in a new direction. This cable provides background and talking points for action posts to approach highest appropriate host government authorities to explain what has happened and to enlist their support in discussing a renewed collaboration with Bolivia on counternarcotics matters. Other addressees are invited to use these points at their discretion. End summary.

BACKGROUND

13. (C) The U.S. Government suspended Bolivia,s participation in ATPA December 15, 2008, following our determination September 15, 2008 that Bolivia had &failed demonstrably8 over the preceding 12 months to adhere to its obligations under international counternarcotics agreements. Congress had previously included Bolivia in the ATPA through June 30, 2009, but extension of benefits beyond that date were contingent upon a Presidential determination that Bolivia meets the program,s eligibility criteria. Since the December 2008 determination, however, counternarcotics progress in Bolivia has not improved and the inter-agency and Congress opposed reinstating benefits without demonstrable improvements in counternarcotics cooperation. Therefore, the President decided not/not to reinstate benefits at this time. We understand the importance of ATPA in creating jobs and strengthening the Bolivian economy; however, Bolivia needs to

show credible counternarcotics cooperation) a critical component of the ATPA program. We hope to work with Bolivia to take advantage of this window of opportunity to collaborate on building Bolivia's national counternarcotics capacity and renewing our bilateral cooperation, to pave the way for future ATPA eligibility.

¶4. (C) Separately, we have been working with Bolivian officials to review and reformulate relations on the basis of mutual interests, including a review of joint cooperation programs. The Bolivians have proposed a Framework Agreement to mark a new chapter in bilateral relations, which affirms that our relationship is based on mutual respect and non-interference and creates mechanisms for improved communication and cooperation. We are reviewing the agreement, and sent the Secretary's Special Emissary Maria Echaveste to meet with Bolivian officials June 27-28 to discuss ways to move the relationship forward.

Action Requested

¶5. (U) The Department requests action addressee posts to seek meetings at the highest appropriate levels in the host government to explain our decision not to reinstate ATPA benefits for Bolivia drawing on the following points.

Begin talking points:

-- On June 30, the President sent a report to Congressional Trade Committees setting out the results of his review of whether Bolivia and Ecuador are meeting the eligibility criteria of the Andean Trade Preference Act (ATPA).

-- In the case of Bolivia, after reviewing that country's performance under all of the eligibility criteria in the Act, the President chose not to make the determination set out in the Act that Bolivia is meeting the program's eligibility criteria, particularly, with regards to counternarcotics cooperation. This decision was not taken lightly. The Administration consulted with the relevant Congressional committees, whose members expressed serious concerns about extending ATPA benefits to Bolivia in the absence of improved counternarcotics cooperation.

-- As a result, certain imports from Bolivia will not qualify for duty-free treatment under ATPA effective July 1, 2009. (Note: The ATPA preference program expires at the end of 2009, unless renewed by Congress.)

-- This decision does not affect Bolivia's eligibility for benefits under the Generalized System of Preferences, which remains in effect and continues to cover most of Bolivia's exports to the United States.

-- This is not a punitive action. It maintains the status quo while we work with Bolivia to establish a common vision on counterdrug cooperation.

-- The United States remains committed working with Bolivia to establish a strong relationship based on shared interests and mutual respect. We understand that Bolivia was focused on ATPA trade preferences, and would like to be in a position to offer them. Key members of our Congress have indicated that improved counternarcotics cooperation is a sine qua non for restoration of ATPA preferences.

-- We will continue to work with Bolivia in the coming months to seek a way forward on counternarcotics cooperation that could pave the way for Congress to reinstate Bolivia's eligibility for ATPA benefits in the future. Since many of the countries in the region share our concerns about drug trafficking, we would welcome your ideas and support on working with us and the Government of Bolivia on ways to strengthen counternarcotics cooperation.

-- For example, ideas that could be explored might include working towards a counternarcotics relationship focused on

building Bolivia's national capacity to attack and control trafficking cartels and organized crime within Bolivia's borders. We believe that such an approach, which would mirror our cooperative efforts with Mexico and Central America, is more likely to be effective and better reflects the growing capabilities present in the hemisphere.

-- The Administration remains committed to working with Bolivia to address the concerns summarized in the President's report to Congress. We hope that the bilateral dialogue that Assistant Secretary Shannon initiated with the Bolivian government officials in La Paz in May will lead to closer cooperation and a strengthened bilateral relationship.

A second round of talks will be held in Washington in July. Also as an indication of our commitment, Secretary Clinton recently named Maria Echaveste as a Special Emissary for Bolivia. Ms. Echaveste traveled to Bolivia over the past weekend for discussions aimed at moving our bilateral relationship forward in a new direction.

End Talking Points

16. (U) Please report feedback, upon receipt, to Bolivia desk officer Barbara Rocha.
CLINTON